

Michigan Department of Licensing and Regulatory Affairs Liquor Control Commission (MLCC) Constitution Hall – 525 W. Allegan, Lansing, MI 48933 Mailing Address: PO Box 30005, Lansing, MI 48909 Toll Free 866-813-0011 – www.michigan.gov/lcc

Nonalcoholic Beverage Products



Wine or Spirits

Wine and spirits products that contain less than 0.5% alcohol by volume are not regulated by the Michigan Liquor Control Commission under the Michigan Liquor Control Code and administrative rules. These products do not require a license to manufacture, distribute, sell, or serve. Wine and spirits products that contain 0.5% or more alcohol by volume are regulated products that must be manufactured, distributed, sold, and served by businesses issued liquor licenses by the Michigan Liquor Control Commission.



Beer or Seltzer

The definition of beer in the Michigan Liquor Control Code is not tied to the amount of alcohol content, but the process by which the product was manufactured. MCL 436.1105(8) defines "beer" as a beverage obtained by alcoholic fermentation of an infusion or decoction of barley, malt, hops, sugar, or other cereal in potable water. This definition also includes seltzer that was manufactured through the brewing of sugar.

The Michigan Liquor Control Commission regulates and collects excise taxes on beer with no alcohol content or less than 0.5% alcohol by volume when the brewing of the ingredients produces alcoholic fermentation as described in MCL 436.1105(8), even if all or most of the alcohol is removed in the finished product.

Nonalcoholic Beer or Seltzer Brewed with Alcoholic Fermentation

- Regulated beer product as defined under <u>MCL 436.1105(8)</u>.
- Includes nonalcoholic seltzer products made through the brewing of sugar.
- Must be manufactured by a Brewer or Micro Brewer licensee, if manufactured in Michigan.
- Must be imported into Michigan by an Outstate Seller of Beer (OSSB) licensee, if manufactured outside of Michigan.
- Brewer, Micro Brewer, or OSSB licensee must sell the products to a Wholesaler licensee for distribution in Michigan to retailer licensees.
- A qualified Micro Brewer licensee may self-distribute the products in compliance with MCL 436.1203a.
- Must be registered through the Michigan Wholesale Product Registry (MWPR).
- All applicable excise taxes must be paid to the Commission by the manufacturer or the Wholesaler licensee.
- May only be sold to customers in the approved tasting room of the licensed manufacturer or by retailer licensees.

Nonalcoholic Beer or Seltzer Made without Alcoholic Fermentation

- Alcoholic fermentation must not have occurred.
- Must never have contained alcohol.
- Not required to be manufactured by Brewer or Micro Brewer licensee.
- Not required to be imported into Michigan by an OSSB licensee.
- Not required to be distributed to a Wholesaler licensee.
- Not required to be registered through MWPR.
- No excise taxes must be paid to the Commission.
- No retailer license required to sell or serve to customers.

Other Important Considerations for Nonalcoholic Beer

- MCL 436.1914b prohibits the sale and service of marijuana-infused beer, wine, mixed spirit drink, or spirits products. Nonalcoholic beer and seltzer products that meet the definition of beer under MCL 436.1105(8) may not contain marijuana.
- The Michigan Penal Code (MCL 750.28) states the following: Any person who shall sell, give or furnish to a minor, except upon authority of and pursuant to a prescription of a duly licensed physician, any cereal beverage of any alcoholic content under the name of "near beer", or "brew", or "bru", or any other name which is capable of conveying the impression to the purchaser that the beverage has an alcoholic content, shall be guilty of a misdemeanor. Nonalcoholic beer, if it is a cereal beverage, may only be sold to people 18 years of age or older regardless of alcohol content.
- A Wholesaler licensee that distributes beer, wine, or mixed spirit drink products and nonalcoholic beverage products to retailer licensees must comply with the aid and assistance provisions of <u>MCL 436.1609</u> and <u>MCL 436.1609g</u>. A Wholesaler license must not provide a retailer licensee free nonalcoholic beverage products or provide a retailer licensee credit for the purchase of nonalcoholic beverage products. Furthermore, the provisions of MCL 436.1609g apply to any nonalcoholic products, not just beverages, that a Wholesaler licensee may distribute in addition to beer, wine, or mixed spirit drink products.